GOVERNMENT OF INDIA
CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:6045
ANSWERED ON:04.05.2000
PROCUREMENT OF FOODGRAINS FROM ADJOINING STATES
BHAN SINGH BHAURA;RENU KUMARI SINGH

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government have directed to State Governments to procure foodgrainsfrom their own areas or from the adjoining States;

(b) if so, the reaction of State Governments in this regard;

(c) whether the Union Government have received any requests from the States regardingcompensation to the loss suffered by them and their procuring agencies on procuring foodgrains for central pool;

(d) if so, the details thereof, State-wise and

(e) the steps taken by the Union Government to reimburse the losses?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION

(SHRI SRIRAM CHAUHAN)

(a) Yes, Sir. Some State Governments were requested to submit proposals to undertake procurement of foodgrains under the `Scheme of Decentralised Procurement of Foodgrains`, from their own areas.

(b) The Government of West Bengal started procurement of rice under this scheme with effect from the Kharif Marketing Season of 1997-98. The State Government of Uttar Pradesh commencedthe scheme from the Kharif Marketing Season of 1999-2000.The Governments of Uttar Pradesh andMadhya Pradesh commenced procurement of wheat under this scheme from the Rabi Marketing Season of 1999-2000. The State Governments of Rajasthan, Tamil Nadu, Orissa, Assam and Jammu & Kashmir are not in favour of this scheme, and the Governments of Bihar, Gujarat and Manipur have not responded, so far.

(c), (d) & (e) : Government of India had received requests from Government of Punjab forreimbursement of losses to the tune of Rs.8.19 crores and Rs.10.48 crores respectively for thelosses incurred by them due to damage of wheat caused by floods in 1993 and 1995. Similar request was received from Government of Haryana for reimbursement of Rs.7.54 crores andRs.2.50 crores respectively for the years 1993 and 1995 on account of the damage to wheat caused by the floods. These requests were not accepted by this Government as the responsibility for storage and preservation of the procured stocks before handing over to FCI is of the State Government/its procuring agencies, for which storage charges are paid to them. They were advised either to prefer their claim with the Ministry of Agriculture, as the losses suffered due to natural calamities should be made a part of claim under flood relief, or compensate their agencies from their own funds collected through Mandi charges and purchase tax etc.

Claim of reimbursement of losses incurred by Government of Punjab and its procuringagencies in disposing of 1994-95 crop paddy through open sale was also received. The Government of Punjab and its procuring agencies have been paid a sum of Rs.120 crores on 9th January, 2000 as full and final settlement of their claim.